

SECRETDD/S 67-0396
24 JAN 1967

DD/S REGISTRATION

FILE

Personnel

MEMORANDUM FOR : Deputy Director for Support

SUBJECT : Fringe Benefits for Contract Employees

REFERENCE : Memo for DDS fr D/Pers, Subj: Extension of
Statutory Fringe Benefits to Certain Contract
Employees, dtd 29 Sept 66

1. This memorandum submits a recommendation for your approval. This recommendation is contained in paragraph 5.

2. On 25 November 1966, we forwarded our request to the Director, Bureau of Retirement and Insurance that certain types of Agency personnel hired by contract be allowed coverage under the Civil Service Retirement Act, the Federal Employees' Group Life Insurance Act, and the Federal Employees' Health Benefits Act. Our authority to submit this request to the Bureau of Retirement and Insurance (BRI) was based on your approval of our recommendation to do so in the referenced memorandum.

3. We have been in regular contact with BRI during the course of their review of our request. It appears that BRI, with no reference to the fact that the Agency initiated this request, plans to submit the proposal to the Interagency Advisory Group, so that we still are some weeks away from receiving a final response.

4. In the course of our conversation with BRI, however, one problem has come up which deals with our request that these three fringe benefit programs also be extended to resident aliens. BRI has indicated that if these new coverages are to be restricted only to resident aliens and are not to be given to the alien class generally, it would have some difficulty in preparing an implementing regulation. At best, the review and debate over the issue of alien coverage would delay the decision on the extension of coverage to contract employees many weeks beyond that anticipated at the time our initial request was submitted. It has been suggested that the Agency might be willing to modify its proposal to include only U. S. citizen contract employees. This would provide retirement and insurance coverage to the vast majority of our full-time contract employees and the few resident aliens we might be concerned about can be provided appropriate benefits by other means.

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5. It is recommended that the Office of Personnel be authorized to modify our request to the Bureau of Retirement and Insurance for extension of Civil Service Retirement, Federal Employees' Group Life Insurance, and Federal Employees' Health Benefits coverages to contract employees to exclude resident aliens.

/s/ Emmett D. Echols

Emmett D. Echols
Director of Personnel

The recommendation in paragraph 5 is approved.

SIGNED R. E. Banner

Deputy Director
for Support

28 JAN 1967

Date

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